

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Sandwich Isles Communications, Inc.)	CC Docket No. 96-45
)	
Petition for Waiver of the Definition of)	
"Study Area" Contained in Part 36)	
Appendix-Glossary and Sections 36.611, and)	
69.2(hh) of the Commission's Rules)	

COMMENTS OF CHR SOLUTIONS, INC.

CHR Solutions, Inc. (CHR) respectfully files these comments in support of Sandwich Isles Communications' (Sandwich Isles') petition for waiver of the definition of "Study Area". CHR Solutions is a telecommunications consulting firm offering a variety of services to rural incumbent local exchange carriers (ILECs) throughout the United States, including regulatory, engineering, financial, and strategic planning services. CHR also provides consulting services for competitive local exchange carriers (CLECs) which provide competitive local exchange services across the country.

CHR believes that Sandwich Isles has demonstrated that it meets the three-part test necessary for the Commission to waive the rules freezing study area boundaries. First, establishing Sandwich Isles' study area as the Hawaiian Home Lands (HHL), and "adjusting" the study area of Verizon Hawaii will have no adverse effect on the Universal Service Fund. As explained by Sandwich Isles in its petition, the Commission adopted a "one-percent rule" in 1995, determining that there would be no adverse affect on the Universal Service Fund if grant of the waiver would not result in an annual aggregate shift in high cost support of an amount equal to or greater than one-percent of the total

high cost fund for the pertinent funding year.¹ Sandwich Isle's total high cost support for the year will be less than four-tenths of one-percent, based upon USAC's first quarter 2005 projections. Second, the two state agencies that regulate Sandwich Isles, the Department of Hawaiian Home Lands (DHHL) and the State of Hawaii Public Utilities Commission (HPUC), have not objected to grant of the waiver. And third, it is in the public interest to grant the waiver. Such a waiver will allow Sandwich Isles to continue to provide affordable local exchange service to its existing customers (most of whom were unserved prior to the creation of Sandwich Isles), and to proceed with its plans to deploy infrastructure to expand its service to additional customers, as well as meet their long term communications needs. These plans include the provision of advanced services which is supportive of the universal service principles as determined by Congress.

Additionally, CHR supports Sandwich Isles' contention that the GTE study area never included the HHL. As described by Sandwich Isles, the current Commission rules lack a clear definition for determining the boundaries of a study area. However, it seems only logical that a study area could only include those areas where a company has the legal authority to operate. In the case of GTE, the DHHL never licensed GTE or Verizon to operate on the HHL. DHHL must grant easements before a telephone company can construct local distribution facilities. (As determined by the State of Hawaii Attorney General, public utilities do not have the ability to obtain easements for utility services on HHL.)² As noted by Sandwich Isles, GTE did not seek and DHHL did not grant unlimited

¹ Sandwich Isles Communications, Inc. Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary and Sections 36.611, and 69.2(hh) of the Commissions Rules. CC Doc. No. 96-45, Page 17.

² Ibid., Appendix C.

easements to GTE. Because GTE had no authority to operate in any area of HHL not authorized by the DHHL, GTE's study area could not have included the entire HHL. By contrast, Sandwich Isles is the only company to have easements granted by DHHL throughout the HHL which is necessary to provide service. CHR supports Sandwich Isles' assertion that their study area should be recognized by the Commission as the HHL.

In conclusion, CHR respectfully requests that the Commission grant Sandwich Isle's petition for waiver of the definition of "study area" and designate the HHL as the Sandwich Isles' study area.

Respectfully submitted,

CHR Solutions, Inc.

By: 

Jean Langkop

Director - Regulatory Services

3721 Executive Center Dr., Suite 200

Austin, Texas 78731

(512) 343-2544